

## Message Text

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16

ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 SS-15 L-03 MC-02 AID-05 IGA-02

EB-07 INR-07 OMB-01 /053 W  
----- 105595

R 192040Z DEC 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 2490

SECDEF/WASHDC

INFO USCNC SO

C O N F I D E N T I A L BOGOTA 12213

DEFENSE FOR ISA (SA)/DSAA

FROM AMBASSADOR

EO: 11652: GDS

TAGS: MASS, CO

SUBJ: FMS CREDIT ARREARAGES

REF: A. BOGOTA 11834 AND B. SECDEF MSG 122232Z DEC 75

1. IN MEETING WITH FINANCE MINISTER ON VARIOUS SUBJECTS DECEMBER 18, I BROUGHT FMS CREDIT ARREARAGES ISSUE TO HIS ATTENTION. HE CALLED IN ACTING DIRECTOR OF OFFICE OF PUBLIC CREDIT (RESPONSIBLE FOR DEBT PAYMENTS), AND WE REVIEWED PROBLEM. MINISTER WAS HAPPY TO HEAR THAT REPRESENTATIVES WOULD BE COMING FROM WASHINGTON TO HELP DEAL WITH MATTER. MINISTER REITERATED HIS DESIRE TO ELIMINATE ARREARAGES.

2. IN THE DISCUSSION IT WAS CLEAR THAT THERE ARE TWO CATEGORIES OF PROBLEMS: A) PAYMENTS DISBURSED BY GOC WERE CREDITED AND ALLOCATED ONE WAY ON THEIR BOOKS, BUT APPLIED DIFFERENTLY BY DOD. THIS HAS CREATED A LEGAL AND TECHNICAL PROBLEM HERE, BECAUSE SIMPLE READJUSTMENT IN GOC RECORDS IS NOT POSSIBLE WITHOUT SOME VERY DIFFICULT LEGAL PROBLEMS. B) SECONDLY, SOME OF THE CONTRACTS, I.G. 731, ARE NOT RPT NOT LEGALIZED CONTRACTS UNDER COLOMBIAN LAW. IN SPITE OF INFORMATION PARA 4, REF B, THERE IS STILL A  
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PROBLEM HERE; COLOMBIAN AMBASSADOR IS NOT EMPOWERED TO EXECUTE

THESE LOAN CONTRACTS EITHER. THEY MUST BE SIGNED AND APPROVED AT MINISTERIAL LEVEL. PROBLEM IS THAT UNTIL THEY ARE PROPERLY LEGALIZED, GOC CANNOT LEGALLY DISBURSE FUNDS AGAINST THEM. DOD ON THE OTHER HAND HAS TAKEN GOC PAYMENTS IT INTENDED FOR OTHER LEGALIZED CONTRACTS AND APPLIED THEM TO CONTRACTS GOC CONSIDERS NOT YET LEGALIZED. GOC RECORDS ARE THUS THROWN OFF, AND DOD NOW BILLS FOR SOME ITEMS GOC CONSIDERS ALREADY PAID.

3. MINISTER INSTRUCTED STAFF TO PREPARE A MEMORANDUM OUTLINING FOR FUTURE REFERENCE PRECISELY WHAT MUST BE DONE FOR LEGAL DEBT TO BE INCURRED, AND TO PROVIDE THIS INFORMATION TO MINISTER OF DEFENSE, COLOMBIAN EMBASSY IN WASHINGTON AND USG THROUGH THIS EMBASSY. HOPEFULLY THIS MAY AVOID SIMILAR PROBLEMS IN FUTURE. IN THE MEANTIME HE ALSO INSTRUCTED STAFF TO FIND WAYS TO SETTLE PAST PROBLEM IN TALKS WITH US REPRESENTATIVES.

4. AS CAN BE SEEN, THERE ARE SOME COMPLICATED AND TANGLED ISSUES INVOLVED HERE THAT ARE THE UNFORTUNATE RESULT OF CONFLICTING PROCEDURES AND MISUNDERSTANDINGS, BUT ARE NEVERTHELESS WITH US. NEITHER SIDE SEES ANY UTILITY IN ARGUING WHY WE GOT TO WHERE WE GOT BUT RATHER TO SEE HOW WE REACH THE MUTUALLY DESIRED--AND I AM CONVINCED SINCERELY DESIRED--OBJECTIVE OF ELIMINATING ARREARAGES. THEREFORE I HOPE THAT REPRESENTATIVES WHO COME DOWN WILL NOT BE JUST SOMEONE WITH THE RECORDS, BUT OFFICIALS CAPABLE OF WORKING OUT WITH GOC FORMULAE AND WAYS OF ELIMINATING DEBTS WHILE MEETING LEGAL REQUIREMENTS OF BOTH GOVERNMENTS. IT WILL NOT DO SIMPLY TO ASSERT WHAT OUR PROCEDURES REQUIRE AND THEN WAIT; A GOODWILL, GOOD-FAITH JOINT EXPLORATION--ALMOST NEGOTIATION--IS REQUIRED TO ELIMINATE THIS ISSUE. IF REPEAT THAT THE GOC IS ANXIOUS TO DO SO AND IS ACTING I BELIEVE IN GOOD FAITH, SO I HOPE WE CAN APPROACH THIS WITH UNDERSTANDING AND FLEXIBILITY.

VAKY

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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